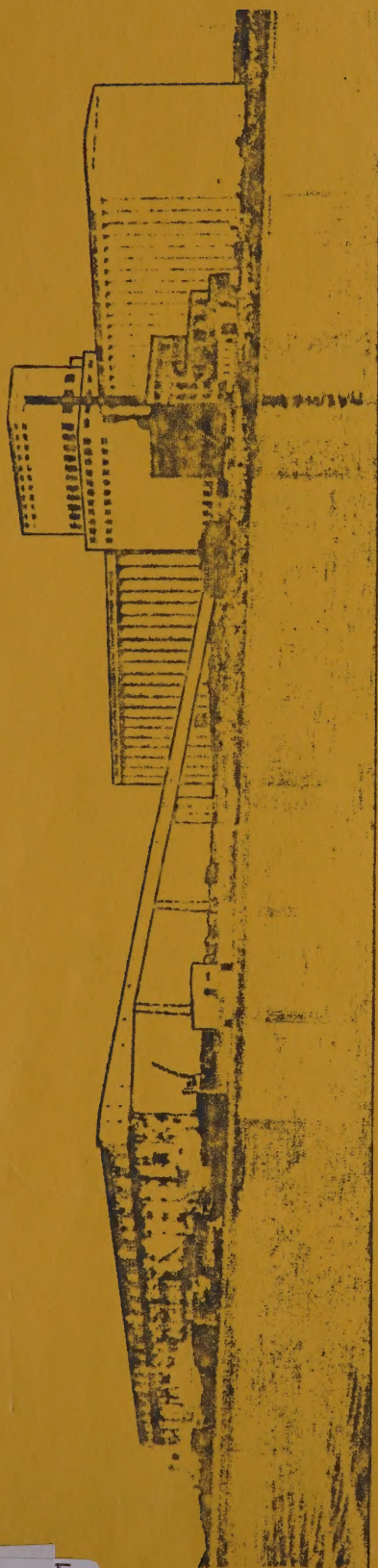


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HUDSON'S BAY ROUTE

SAVINGS

It is a far cry from the year 1610, when Henry Hudson first discovered Hudson's Bay, to the present 1958. Over those past 350 years, we have seen great changes, not the least of those have occurred in Hudson's Bay.

For many years this was the only contact the British had with Canada, following this, it was the Mecca of fur traders and trappers.

Millions upon millions of dollars in trade, furs and merchandise have passed over this Route. Then the scene gradually changed and a new product had to find outlets to the European markets, namely wheat.

After much political haranguing and the work of the "On To The Bay" Association, a railway was built into Churchill, Manitoba, and in 1929 the first of Western Canada's product - Wheat - Was shipped to England, a token shipment of 60 bushels.

Then came the depression, followed by war. The Route was used very little. Then in 1945 western farmers and business men again re-organized the old "On To The Bay" Association and called it "The Hudson Bay Route Association". It is a voluntary and non-political group with no "axe to grind". The sole purpose of this Association is to further the use of the Hudson's Bay Route as the most economical route for the West to trade with overseas markets. It is 1100 miles closer to the United Kingdom by way of Churchill than it is by Montreal.

In 1946, three million bushels of wheat were shipped out of Churchill, and last year the shipments had increased to 16,633,956 bushels, almost 600% increase in 11 years, and we are informed that 1958 shipping will show a further substantial increase.

This wheat was grown in an area that we call "The Churchill Preferential Area", where railway freight charges are equal, or show savings of up to 4 cents per bushel by shipping to Churchill rather than to the head of the Lakes.

Out of the total sales at Churchill of 16,633,956 bushels in 1957, the Saskatchewan Wheat Pool supplied 7,382,440 bushels of wheat as shown by the following statement. ✓

SASKATCHEWAN WHEAT POOL
Country Elevator Division
Summary

Gross Wheat Shipments to Churchill - Shipping Season 1957
By Freight Differentials and Grades
(Agents' Shipping Weights and Grades)

Rate of Differen- tial in favor of Churchill compared with Lakehead	Number of Bushels					% of each Differ- ential to Total
	<u>No.2</u>	<u>No.3</u>	<u>No.4</u>	<u>No.5</u>	<u>Total</u>	
Even	869,923	192,875	66,535	231,529	1,360,862	18.43
1¢	1,938,825	466,506	115,080	482,868	3,003,279	40.68
2¢	612,680	340,621	67,431	384,562	1,405,294	19.04
3¢	735,592	235,052	29,247	395,556	1,395,447	18.90
4¢	<u>73,301</u>	<u>40,384</u>	<u>5,145</u>	<u>98,728</u>	<u>217,558</u>	<u>2.95</u>
Total	4,230,321	1,275,438	283,438	1,593,243	7,382,440	100.00

The previous statement shows a saving on railway freight alone of \$65,192.00. If the same rate of freight savings were made on the balance, it would total approximately \$135,000.00.

Of course, wheat only comes from C.N.R. points, of which there are 352. Of the C.P.R. points (about 200 in the area) wheat is not shipped to Churchill, as they have no railway connections to that port.

The Saskatchewan Wheat Pool reports selling prices, shipping costs and landed cost at Liverpool, England for both Churchill and Lakehead for 1957 and 1958 as follows:-

	<u>1958</u>	<u>1957</u>
No.2 Northern in Store Churchill per bushel	170.250	169.750
Shipping costs to Liverpool, England	<u>19.893</u>	<u>28,979</u>
Total cost C.I.F. Liverpool	190.143	198.729

- - - - -

No.2 Northern in Store Fort William- Port Arthur. per bushel	159.250	158.250
Shipping costs to Liverpool, England	<u>37.196</u>	<u>44.693</u>
Total cost C.I.F. Liverpool	196.446	203.443

- - - - -

You will note that the Canadian Wheat Board sells the wheat at Churchill for 11 cents per bushel more than the same grade of wheat at Lakehead, and when it arrives in Liverpool, it costs the purchaser $6\frac{1}{4}$ cents less per bushel delivered when coming from Churchill.

Therefore, the savings are as follows:-

16,633,956 bushels at 11 cents per bushel -	\$ 1,829,735.00
Add to this the saving in railway freight of	<u>135,000.00</u>
A total saving to the farmer in one year of	1,964,735.00

This money goes into the Wheat Board funds and helps to make the final payment to every farmer who delivers that grade of grain to the Board, whether he lives in Manitoba, Saskatchewan or Alberta, and regardless of whether his own wheat was sold at Churchill, Lakehead or West Coast.

The purchaser also benefits by buying at Churchill. 16,633,956 bushels at $6\frac{1}{4}$ cents per bushel - \$ 1,039,627.00. This shows a total saving to the farmers and his customers of over three million dollars in one year on only slightly over sixteen and one half million bushels. Imagine what savings could amount to if all the wheat grown in the Churchill Preferential Area, was shipped and sold through Churchill. (Over 100 million bushels are grown annually in this area.)

Imports also are a very important item and concern to Western business and agriculture.

In 1946 only 37 tons of merchandise were imported, but in 1957 this had increased to 4084 tons. Also imported were 14,703.89 gallons of gas and oil. Although this gas and oil remained at Churchill, the other merchandise went to points in Manitoba, Saskatchewan, Alberta and British Columbia, and covered a multitude of articles, such as automobiles, tractors, glass, liquor, confectionery, steel, machinery, fish meal, linoleum, piping and many other items.

The savings on railway freight from Churchill to points in the Prairie Provinces, compared to the freight from Montreal to the same points, is shown in the following table.

	<u>Class</u>	<u>Class</u>	<u>Class</u>	<u>Class</u>	<u>Class</u>	<u>Class</u>	<u>Class</u>	<u>Class</u>	<u>Class</u>
	<u>100</u>	<u>85</u>	<u>70</u>	<u>55</u>	<u>45</u>	<u>40</u>	<u>33</u>	<u>30</u>	<u>27</u>
<u>From Churchill</u>									
to:									
Winnipeg	486	413	341	268	219	194	161	145	131
Regina	426	362	299	234	192	171	141	128	115
Saskatoon	416	354	292	229	188	167	138	125	112
Edmonton	546	464	382	301	245	219	180	164	148
<u>From Montreal</u>									
to:									
Winnipeg	548	465	381	297	243	215	176	159	142
Regina	693	588	483	379	307	273	224	203	182
Saskatoon	732	622	510	400	325	288	237	214	191
Edmonton	865	734	603	472	384	342	281	254	228

✓ You will note that freight savings are nearly 50% in some cases.

It is now also possible for a limited number of passengers to secure passage overseas from Churchill.

Mining is now a very live industry in the north and tributary to Hudson Bay. The raw ore (iron and nickel) is now taken to Churchill by ships and loaded on railway cars and shipped to Fort Saskatchewan (near Edmonton, Alberta) for refining. Truly the new industries are taking the place of the old.

✓ Some people have advanced the argument that it would be unwise or impossible to sell a large quantity of wheat during the open Churchill season (from July 22nd to October 20th). This may be true, but why sell it all at this time. Why not load this grain into ships and transport it to Newfoundland and store there, where it would be available for export 12 months of the year.

At the present time wheat shipped to Fort William and Eastern ports is frozen in for at least five months each year. Wheat is a commodity that is consumed every day of the year and an exporting country like Canada should have it available to foreign trade 365 days a year.

Churchill season is Western Canada's harvest season. We are always short of railway box cars. It takes a box car approximately 14 days to go from Saskatoon to Churchill and return, and 21 days to go to Fort William and return, a saving of one third in box car use by using Churchill.

Newfoundland is part of Canada. It is the nearest point to Europe on the North American Continent. All shipments to Europe pass within 200 miles of Newfoundland. Even the wheat that is shipped from Vancouver to the United Kingdom takes a route down around the United States and Mexico, through the Panama canal and up the Atlantic ocean to within 200 miles of Newfoundland on its way to Europe, 6,500 miles more than necessary.

Some think the extra handling would cost too much. However, that is what we are doing now at the Lakehead, loading in lake vessels and unloading at ocean ports.

Surely no one would deliberately put their products in a deep freeze for one half of the year, when it is so easy and economical to place it where it is available 12 months of the year.

The new St. Lawrence seaway has been mentioned as a serious competitor to the Hudson Bay Route. We are naturally very pleased to hear that this new seaway will reduce the cost of getting the farmers' wheat to the world's markets. However, how much will it reduce costs?

When the new seaway was started, it was stated it would reduce costs 10 cents per bushel. Latest press reports state 4 cents per bushel, and toll charges have not been set yet.

We are also informed that the St. Lawrence Seaway can only take ships up to 27 feet in water draught and the large ocean freighters coming into Churchill need from 27 to 35 ft. of water. It would therefore appear that those large ocean freighters will not be able to come to the head of the Lakes for wheat.

The ocean going ships that do come to the head of the Lakes, will not seriously interfere with Churchill shipments.

1958

CHURCHILL RECORD

With the closing of the shipping season, the officials of the Hudson Bay Route Association were highly pleased with the results of the 1958 Churchill operations. The final figures will show 55 cargoes of grain left Churchill for overseas this year, carrying slightly over 19 million bushels of wheat and approximately 5200 tons mixed feed oats, as well as two cargoes carrying approximately 4300 tons of screenings to Montreal.

This compares very favorably with 1957, when 48 ships loaded slightly over 16½ million bushels of wheat and a small quantity of feed oats.

Imports of general merchandise were also substantial, as 3107 short tons were unloaded at the port for distribution to many points in Western Canada. This merchandise consisted of a great variety of goods, such as glass, stationery & sundries, liquid caramel, fibre suitcases, machinery, plasticine, telephone apparatus, chilled cast iron rolls, spectacle cases, wire nails, electric motors, bone meal, cod liver oil, toys, chemicals, whiskey, beer, Ford cars, textiles, sweets, floor blocks, grout powder sealing oil, earthenware & china, biscuits, rifles, curling stones, cartridges, leather goods and shoes, disinfectant, bath salts, hardware, miscellaneous, tiles, dustbins, linoleum, plastic goods, glass insulation, barbed wire, Army vehicles and spares & clothing. The above articles were destined for many points, such as Winnipeg, Flin Flon, Churchill, Lynn Lake and Brandon in Manitoba; Saskatoon, Regina, Moose Jaw, Prince Albert and Estevan in Saskatchewan; Calgary, Edmonton, Lethbridge, Medicine Hat and Red Deer in Alberta; Penticton in B.C. and Port Arthur in Ontario

It will be noted that there is a considerable saving on railway freight rates on the above merchandise (see page 4) from Churchill, Manitoba, compared to from Montreal to western points.

It is also noted that two tankers brought in 28,000 tons of gasoline and oil for Churchill requirements.

A new type of product was also handled at the port. The raw ore from Ranking Inlet, on the north-west shore of the Bay, was taken to Churchill by ship and unloaded onto railway cars and shipped by rail to Fort Saskatchewan (near Edmonton) for refining. It may be that this new industrial development will be playing an increasing part in Churchill handlings in future.

As the Canadian Wheat Board are quoting Churchill selling prices for wheat 11 cents per bushel higher than Fort William, and as there is a saving of approximately an average of one cent per bushel on railway freight from the prairies to Churchill, it adds up to a saving to the prairie farmer of 12 cents per bushel, or \$ 2,280,000.00 on this year's Churchill sales.

The cost of shipping wheat from Churchill to Liverpool, England, is six and one quarter cents less than from Fort William, which means that the British buyer saves this amount. 19 million bushels at $6\frac{1}{4}$ cents equals \$ 1,17,500. Therefore, the total saving to the producer and the consumer should be somewhat over four million dollars in this one year.

Farmers are very worried over the cost-price squeeze and are doing everything in their power to lower their cost of production. Here is at least part of the remedy -- use the port of Churchill to its greatest extent.

For many years the Hudson Bay Route Association has been advocating the greater use of the Hudson Bay Route by increasing exports and imports. Those who did not agree with us, used the argument that the Port had reached its capacity. Nevertheless, the handlings have steadily increased each year to the present figures, which proves beyond a doubt that the capacity of this Port is governed by the capacity of the facilities. In order that the continual increase in exports continue next year, it is absolutely necessary that all facilities be immediately enlarged and increased, such as transportation, wharfs, storage and harbour accommodation.

The Federal Government are spending 57 million dollars to enlarge and improve port facilities at Montreal. This will enable Great Lake grain freighters to haul western grain from Fort William - Port Arthur and unload at Montreal. However, Montreal is frozen in, four to five months in the year, which prohibits ocean grain freighters from getting this wheat during the winter months.

The Cargill Grain Company are spending 15 million dollars on storage and grain handling facilities at Baie-Comeau, at the mouth of the St. Lawrence, which will enable ocean grain freighters to load there in the winter. Again they are hoping Great Lake grain freighters will take the wheat from Great Lake ports and unload at Baie-Comeau. However, they will handle 40% of U.S.A. wheat, which will give the U.S.A. farmers tributary to the Great Lakes a winter outlet for their product from a Canadian port, while the bulk of the western Canadian farmers products will be frozen in.

We are suggesting that the Federal Government build grain storage at Newfoundland, and during the shipping season ship the grain out over the Hudson Bay Route and store at Newfoundland, which is part-way over to Europe and will be available for ocean grain ships 365 days a year, and at the same time save western farmers millions of dollars.

Farmers and business men, Boards of Trade, Farmers' Unions and all others interested in the welfare of the West, should insist that our Federal Government give more serious thought and action to build the necessary facilities, in order that the Hudson Bay Route can render to the fullest extent, the economies that Western Canada is entitled to.

PORT OF CHURCHILL
RECEIPTS AND SHIPMENTS OF WHEAT
bushels

<u>Navigation year</u>	<u>Shipments</u>
1946	2,928,936
1947	4,975,753
1948	5,314,509
1949	5,527,535
1950	6,769,238
1951	7,278,443
1952	8,585,122
1953	10,784,445
1954	12,485,385
1955	13,077,845
1956	16,250,320
1957	16,577,206
1958	19,500,000
Total	130,054,737

The above figures clearly point to substantial increases each year in shipments out of Churchill.

Copy of an Editorial which appeared in
The Saskatoon Star-Phoenix
Wednesday, Oct. 15th, 1958.

ACHIEVEMENT - AND CHALLENGE

Churchill, in the brief shipping season just ended, has established another imposing and challenging record, latest and greatest in a succession of annually increasing shipments over the northern route since 1950 when the season was lengthened by 10 days and the cargo insurance rates reduced. This year, between July 24th and October 10th, 55 vessels called at the great inland port on Hudson's Bay, seven more than last year. A total of 19.5 million bushels of wheat was exported to British and other European markets from Churchill, three million more than a year ago. This year, some 28,000 tons of gasoline and oil were brought into the northern port for the big army camp there. More than 3,000 tons of general merchandise were unloaded for points throughout western Canada. And, for the first time this year, the incoming cargoes included nickel ore from Rankin Inlet in the Northwest Territories, consigned over the Hudson's Bay Railway to a smelter at Fort Saskatchewan, Alberta.

It is a great record, underlining as it does, the growing importance of Churchill to the prairie economy and its tremendous potential as one of Canada's great strategic gateways to world commerce. Prairie farmers, this year, saved about 12 cents a bushel on the 19.5 bushels of grain transported over the route, and British buyers got their purchases for $6\frac{1}{4}$ cents a bushel less via Churchill than if they had shipped grain through Fort William. This means a great deal to Canada in these days of stiff competition for world wheat markets. It means much to farmers caught in the price-cost squeeze. Importers of general merchandise too, made considerable savings on railway freight rates from Churchill as compared to shipping costs from eastern seaboard.

But savings, even on this year's record activity, are a drop in the bucket compared to what can be realized in the future. They have been achieved, it must be noted, with facilities distinctly limited at the port itself, and over a railway line completed in 1929 and now almost obsolete in terms of present-day heavy equipment and fast freight movement.

With the opening up of northern Manitoba by the big mining companies and the huge hydro installation undertaken on the Nelson River by the Manitoba Power Commission, the demands on the Hudson's Bay route must increase far beyond its present capacity.

So the present record and known developments, coupled with the fact that northern expansion is just at its beginning, present a great challenge to the government of Canada and the Canadian National Railways. Storage and harbor facilities at Port of Churchill must be greatly enlarged without delay. And as for the railway connecting the port with the prairie hinterland, the CNR should embark as soon as possible on a great modernization program similar to that it has already undertaken in other parts of Canada.

Recently The Northern Mail, published at The Pas, pointed out that today's rail haulage, consisting of trains carrying twice or three times the tonnage of 1929 with heavier boxcars, large diesel units and generally heavy equipment, impose a burden on the roadbed that was not foreseen when the line was built. The building up of an adequate roadbed, installation of heavier steel and of enough first-class ties to carry the greater in and out cargoes that will prevail in future cannot be postponed.

Officials and members of the Hudson Bay Route Association, who have been tireless in promoting Churchill and the Hudson's Bay Railway by familiarizing prairie dwellers and governments alike with its advantages, deserve the highest praise. They recognize the challenge of the future. Their faith in developing use of the northern route is boundless. They are entitled to the wholehearted support of every prairie resident. And their presentations to the government and to the railway should merit serious consideration and action by those bodies.

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The officials of the Hudson Bay Route Association are very pleased and highly honored to re-print the above editorial, as it shows The Star-Phoenix and Northern Mail are keenly interested in the future development of the Route, and are very much in favor of the Hudson Bay Route Association and the work that this Association is doing.

The Hudson Bay Route Association is the only organization which is officially and continuously pressing upon Governments and others, the necessity of greater use of this Route, and also the necessity for more and better shipping, handling and transportation facilities, in order to handle the ever increasing trade.

We are a voluntary membership group and are seeking support from all Westerners, financial and moral.

There are those who try to convey the thought that the Route has reached its capacity. They are the same type who tried to convey the same thought many years ago, and they will still be doing it many years hence.

There is still a big job to be done. You are receiving benefits now, please join us and help to contribute to the ultimate success.

Our immediate objectives are as follows:-

1. Additional terminal storage of five million bushels.
2. Additional freight sheds.
3. Extension of ship dockage and berthing space.
4. Better railroad transportation facilities.
5. Running rights for C.P.R. over the Hudson Bay Railway.
6. Extension of the C.N.R. Railway from Gypsumville to Wekusko, Manitoba.
7. Establishment of competitive freight rates over the Hudson Bay Railway.
8. Extension of the season for Marine Insurance.
9. Highway facilities into Churchill
10. A more aggressive and comprehensive campaign to inform everyone of the great economic advantages to be gained by the use of the Hudson Bay Route for imports and exports.

If you have not joined yet, we will welcome your help.

The Membership dues are as follows:-

- \$ 2.00 for individuals
- \$ 5.00 for small committees, schools and businesses.
- \$ 10.00 for towns, villages and Boards of Trade
- \$ 25.00 for rural municipalities and large business concerns.
- \$ 50.00 to \$ 100.00 for cities.

This is not charity. This is your share in building the West and Canada. Please help. Send your membership dues to:-

Secretary-Treasurer
Hudson Bay Route Association
Box 1034
Saskatoon, Sask.

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